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Why Africa's development models must change

Understanding five dynamic trends

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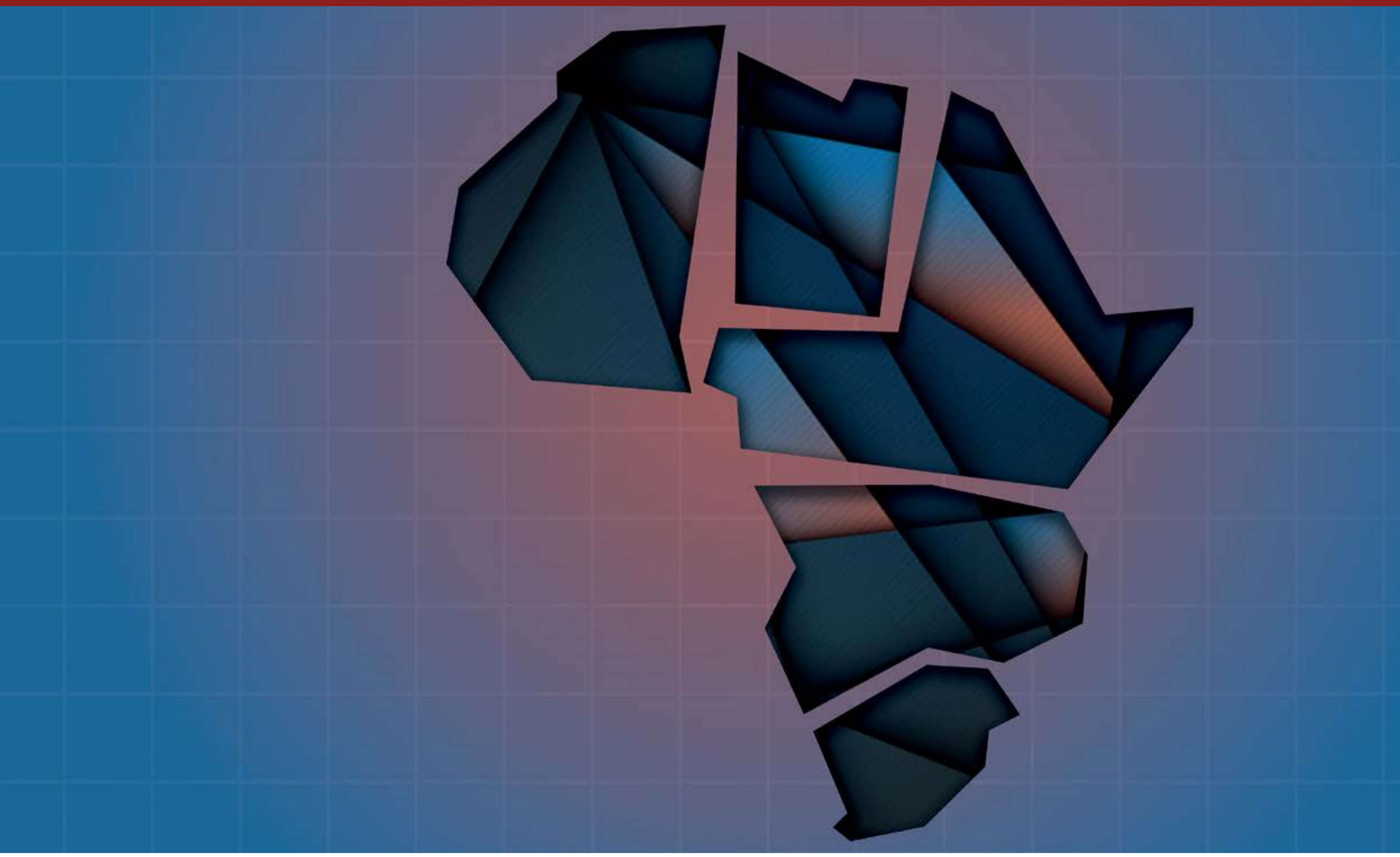

Current models used to analyse African development don't align with the continent's context and dynamics, and need to be overhauled. Approaches should explicitly consider the defining characteristic of African economics, namely its wide-ranging informality that lies beyond existing legal frameworks. In doing so, five trends must be considered, namely climate change, rapid urbanisation, epidemic/pandemic vulnerabilities, immense infrastructure deficits, and the lawlessness that also gives rise to violent extremism.

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Key findings

- The analytic tools and methodologies used in the past few decades to analyse African development do not correspond to the current African context and dynamics and are, thus, inadequate as the basis from which to forecast Africa's future.
- The primary structural changes these development models advocated were a movement of people and capital from low-productivity agriculture into higher-productivity industrial manufacturing and services. These changes have not occurred as forecast. Where there has been migration from rural to urban areas, this movement has, instead, resulted in increased informality, lower productivity and insecurity.
- An overhaul of current development models must take account of the critical dynamic trends occurring on the continent. These include climate change, rapid urbanisation, the immense deficits in infrastructure, increased vulnerability to epidemics and pandemics, and the lawlessness that gives rise to violent extremism.
- Amended models must explicitly consider the defining characteristic of African economics, namely its wide-ranging informality that lies beyond existing legal frameworks.

Recommendations

- Revamping African development theory and practice should correspond to African contexts that accommodate the realities of informality and weak land management, as well as the proliferation of organised crime and criminal networks in the private sector, legal markets and the state.
- The role and actions of the African state, therefore, are often highly problematic and cannot automatically be the foundation on which socio-economic development theory and its models are based.
- Instead, given the inherently compromised nature of the African state, and the co-ownership of organised criminal networks by state actors, development models and approaches should no longer prioritise the role of the state.
- Rather, the resilience of local neighbourhood and community actors ought to become the key variable and the most important outcome by which to measure development achievements.
- A key conceptual challenge in this revised framework would be how best to enhance and leverage local neighbourhood community control and management of local resources.
- Nuanced analysis and research are required to flesh out this approach to development and the role of the state. In a revised model of development, the role of the state should be limited to the coordination, standardisation of, and support for the financing of local initiatives that build local resilience within and across neighbourhoods.

Introduction

Many scholars and analysts predict a positive future for Africa and its various regions over the next 20 to 30 years. As one prominent analysis concludes, based upon its current level of development and 'looking to the future, Africa's overall story reveals a positive trend.'[1]

However, circumstances over the past decade or more suggest that today's position is more tenuous than is commonly acknowledged,[2] with a lower threshold of stability. The possibility of increasing instability not only questions the projections of an encouraging future[3] but also challenges the validity of the mainstream and traditional development theories and models that underlie the optimistic forecasts.

Forecasting a positive future becomes increasingly precarious when assessed through the lens of five key trends that affect the continent as a whole, but are not often analysed in conjunction with and in relationship to one another. These five trends are:

- Climate change
- Urbanisation
- Urgent infrastructure needs[4]
- Epidemics and pandemics
- Lawlessness

When the consequences of each trend are analysed as they interact with one another, the probability of instability heightens appreciably. This is particularly true when taking the continent's existing level of socio-economic development as a given baseline, rather than presupposing the eventual emergence of progressively 'stronger states.' It is vital to acknowledge the current existing level of African development and the state to be able appropriately to perceive and comprehend three continent-wide structural realities.[5] The three macro-structural realities are:

- Weak land management
- Pervasive informality[6]
- Proliferation and virulence of organised crime – which in this case is not defined only in terms of illicit markets but primarily by organised criminal entrepreneurs who possess state power and, invariably, are themselves, state actors.

Each of these structural realities significantly decreases the overall capabilities of African states, as they are currently constructed and hinders their efforts to overcome the harmful effects of the dynamic trends. Weak land management and informality encourage organised crime, which further erodes the capacities of the state and hastens the likelihood of instability. Taken together, it appears that there is a heightened possibility of instability across Africa.

> Africa's position today is more tenuous than is commonly acknowledged, with a lower threshold of stability

It is important to note that neither the optimistic forecasts of the continent's future nor the mainstream and traditional socio-economic models and approaches currently used by development policymakers or practitioners appropriately address these issues and challenges.

Given the likelihood of heightened instability:

- The analytic tools and methodologies that policymakers and development practitioners have been using for the past few decades need to be rethought and revised so that they correspond with Africa's current realities and dynamics.
- Based on the revamped theoretical tools, new policies and practices for promoting development will be required.

In terms of development policies and practices, it will be necessary:

- To implement new ways of thinking about and working with the African state, its institutions and agencies, so that the state is thought of as one of several actors rather than automatically being considered the predominant one.
- To encourage, emphasise, and support smaller-scale initiatives across a wider spectrum of programming, with greater prominence given to local neighbourhoods and communities.
- To elevate – methodologically and in policy, politics, and practice – the importance of the wants of local neighbourhoods, rather than their needs, to promote a redefined understanding of resilience and democracy.

- To reconceptualise theories of resilience to concentrate on programmatic outcomes that measure local neighbourhood management and control over the pivotal assets and resources that they have determined are of the highest priority.

Structure and limitations

This report first discusses current development trends in Africa and highlights how existing development theories and methodologies have not appropriately understood or addressed the tenuous nature of development on the continent. The following sections briefly analyse each of the five dynamic trends, before exploring how they interact and affect each other. After assessing the trends' combined influence on the three continental-wide structural factors, the report concludes by suggesting a way forward for development decision-makers, policymakers and practitioners.

Africa is an enormous continent of more than 1.3 billion people, composed of several regions and 54 UN-recognised countries,[7] each with a unique history. The variations and disparities that exist across the continent are reflected in the diverse cultures, more than 1 500 languages and disparate levels of development.

> The five trends analysed here aren't discussed as frequently by development practitioners as other topics

Despite this enormous spectrum, this report provides an analysis of dynamic trends that are common to and affect the future of the entire continent. Although there are significant differences across Africa concerning climate change, urbanisation, infrastructure, epidemics and pandemics, and lawlessness, there are equally important common themes and challenges. The same applies to land management, informality and organised crime, particularly with regard to the continent's future and questions concerning its stability.

The five trends analysed in this report were chosen because, while they are of critical importance and operate across the entire continent, they are not discussed as frequently and to the same extent by development practitioners as other topics. Topics such as governance, population growth, education, healthcare, agriculture and conflict, the current COVID-19 pandemic are more common. Furthermore, the five trends are less often analysed in dynamic relationship to one another and how their interactions may exponentially compound their destabilising effects on Africa.

Lastly, they are raised and analysed because their multifaceted effects highlight the need to revise and reconceptualise the mainstream and traditional socio-economic models that development policymakers and practitioners have been using for the past few decades. It should be noted that the analysis in this report complements and supplements those that focus on other topics, such as those named above, and from which forecasts about Africa's future have been extrapolated.

Current context

The predominant socio-economic model that has underpinned mainstream development policy and practice for the past 40–50 years is essentially based upon the assumption that all regions and countries of Africa need to undergo a structural socio-economic transformation.[8] This transformation is based upon labour moving 'out of low-productivity agriculture into higher-productivity manufacturing and modern services.'[9] In 2018, the African Development Bank (AfDB), for instance, claimed that:

> … the main source of growth acceleration [for the continent] is rapid structural change through the reallocation of labor [out of agriculture and into industry and manufacturing]. Structural change, rather than growth in per capita income, is a potent source of poverty reduction for African countries, as it has been for most developing countries.[10]

According to the United Nations (UN), this movement of labour needs to be accompanied by a migration of rural populations into urban centres, as has occurred in other developing regions.[11] Consequently, the AfDB strongly espouses that the 'first priority for African governments is to… put in place programs and policies aimed at modernizing the agricultural sector, which employs most of the population,' while, at the same time, 'encourage[ing] a shift toward labor-absorbing growth paths.'[12] The policy objective is to accelerate the growth of an industrial and manufacturing sector in and around urban centres, where an accessible pool of inexpensive surplus migrant labour is available.[13]

Unfortunately, this approach and its accompanying policies have not proved to be appropriate for Africa and its regions and countries. With few exceptions, 'there is little evidence of structural change for the continent as a whole… [In fact,] the sectoral make-up of GDP [has] remained roughly constant between 2000 and 2016.'[14] Explosive urbanisation has occurred, but it has not been accompanied by either higher agricultural productivity or a larger and ever-growing industrial and manufacturing sector. On the contrary, urbanisation is burgeoning 'amid declining or stagnant industrial output and low agricultural productivity.'[15]

In numerous African countries, 'deindustrialization with a shrinking contribution of the manufacturing production to GDP'[16] is the reality. As a result, across a range of socio-economic development indicators, Africa has fallen progressively further behind the rest of the developing world over the past three decades.[17] In this sense, the mainstream, traditional socio-economic model used by policymakers and development practitioners has failed Africa.[18]

Despite the lack of a structural transformation, overall African gross domestic product (GDP) has been rising, and, according to the United Nations Development Programme (UNDP), 'the size of the African economy has more than tripled since 2000.'[19] While this is technically true and promising, it is also deeply misleading. As the AfDB observes, 'Africa's recent high growth rates have not been accompanied by high job growth rates.'[20]

Between 2000 and 2014, annual increases in employment have been consistently and significantly less than GDP growth and barely ahead of the continent's population explosion.[21] According to the World Bank, in sub-Saharan Africa, the population growth for the four years from 2015–2018, inclusive, exceeded the region's increase in GDP.[22] This is a recipe for instability rather than hope.[23]

It must also be acknowledged that Africa's formal economies are not the continent's engine of development. In all but a few countries, the formal economy accounts for only about 20% of total employment.[24] While there are notable disparities across the continent, a study published by the International Labour Organisation (ILO) in January 2020 indicates that this percentage has not appreciably changed over the past decade.[25] In fact, in sub-Saharan Africa, informal employment accounts for 89.2% overall and, for youths, it rises to 94.9% and "is by far the most important type of employment."[26]

As of 2018, the AfDB argued that 'informality is a defining feature of African labor markets. The informal economy accounts for an estimated 50–80 percent of GDP, 60–80 percent of employment, and up to 90 percent of new jobs in Africa.'[27] In 2018, the ILO also estimated that approximately 92.4% of 'all economic units in Africa are informal.'[28]

The employment of the vast preponderance of Africans has been, therefore, consigned to jobs of low productivity and high insecurity.[29] In 2018, a World Bank analysis of informality in Kampala showed that only 18% of these informal enterprises are capable of expanding their business.[30] This implies that great swathes of the African economy seem to be incapable of generating the structural transformation, which has been called for and advocated by the socio-economic models and approaches used by politicians, development policymakers and practitioners.

> African economies are largely incapable of generating the structural change advocated by current models

As it is true that the informal sector of Africa's economies is the most significant feature of its socio-economic structure, Africa's future growth 'cannot be explained without considering the contribution'[31] of this sector. Informality is all the more pivotal to Africa's future reality given that, contrary to theory, elements of the informal economy have been 'growing more rapidly in most African countries than large-scale modern manufacturing'[32] which has not driven growth.

While it might remain an open question whether the informal sector can propel growth and development, the current African socio-economic context demands that politics, development policies and practice place the informal economy at the centre of all models and recommendations. Those that do not lack contextual relevance.

Finally, as already indicated, the socio-economic models that have shaped development policies and practices emphasise the primacy of urban centres. The socio-economic situation of Africa's urban centres, however, is dire and unstable. As Bello-Schünemann et al. noted in 2017:

> Uncontrolled, rapid urbanisation in the context of pervasive poverty, inequality, large youthful populations and lack of economic opportunities does not bode well for the future sustainability of Africa's towns and cities. Unplanned, overcrowded urban settlements populated with marginalised youth can be hotbeds for violence, particularly in lower-income informal areas.[33]

The UN echoes this assessment, claiming that 'urban dysfunctions are partly to blame for the high costs of living and working in African cities – for people, industry and value chains. Set against the size of urban constraints and the economic importance of cities, policies to address these issues have so far been inadequate.'[34]

Facing the future – five dynamic trends

As outlined in the previous section, the current socio-economic condition of Africa and its varying regions is one in which the continent's stability is more fragile than commonly perceived, as the current COVID-19 pandemic is, unfortunately, highlighting. Forecasting an optimistic future from these troublesome realities, therefore, is unrealistic.

The question that arises when thinking about Africa's future is how five of the continent's pressing dynamics – climate change, urbanisation, infrastructure, epidemics and pandemics, and lawlessness – might affect the current socio-economic situation. In each instance, the answer seems to be that the potential for heightened instability increases.

Climate change

Climate change is already having a profound effect on Africa. Soon, there will be more pronounced changes in rainfall, higher temperatures and rising sea levels.

Agriculture, nutrition and health will all be negatively affected.[35] The land cover will also be degraded, particularly in the Sahelian and semi-arid areas. This will have repercussions on water run-off and, therefore, may cause additional downstream environmental hazards.[36] Food and water security throughout the continent's diverse regions will also become more precarious[37] and the impact of this will be exacerbated by rising population growth.[38] Overall, these changes will increase socio-economic vulnerabilities and risks and promote greater instability.

The precise contours and dimensions of what will happen are not necessarily well understood. For instance, climate change will 'significantly escalate' the risk of drought across Africa. The degree and depth of that heightened risk remain unclear and not all regions will be affected similarly.[39] Southern Africa can be expected to be most negatively affected, while East Africa may experience greater rainfall.[40]

Among the challenges in understanding the consequences of climate change is accurately delineating the region, country and specific locations most likely to be affected. Furthermore, it is essential to examine the effects of climate change through the socio-economic and political context of that location. For instance, the impact of drought will vary according to the local population's dependence upon the type of agriculture they produce, the degree of their inclusion or exclusion from wider political processes and their overall economic development.[41] As a result, while the overall continental-wide understanding of climate change on Africa is well-defined, the nuances still need to be clarified.

> Climate change will likely lead to higher food and water prices, especially in expanding urban centres

The following analysis outlines four specific effects caused by climate change – rainfall variability, agriculture, migration and resource (land, water, environmental) grabbing. Each of these effects can increase the probability of instability.

Rainfall variability

Climate change affects not only the amount of rainfall but also its variability. With the percentage depending upon the country, the World Bank asserts that there is 'a strong correlation between rainfall variability and GDP, with GDP dropping 10 percent or more at times due to increasing rainfall variability.'[42] This effect may be greater for those countries on and closer to the equator, given that climate change's effect on weather variability is expected to be more pronounced in and around the equator.[43]

Furthermore, throughout the continent and its varied regions, the incidence and intensity of natural disasters have increased since the 1980s. This includes drought, floods and epidemics. There appears to be a direct correlation between these natural disasters and climate change.[44] This is particularly true regarding droughts and floods, the latter occurring, at least partially, due to the increase in rainfall variability and its intensity when it does occur. As will be discussed below, flooding in urban centres has become a pronounced problem.

Agriculture

African agriculture is highly susceptible to climate change, as over 95% of all sub-Saharan crop production is dependent upon rain.[45] In addition, most farming is small-scale with low productivity and yields,[46] and limited access to financial support, infrastructure, distribution systems and information. These factors all increase the farmers' vulnerability to climate change.[47]

Increased vulnerability and risk may be more pronounced in certain areas of the continent than in others and may also be related to the types of crops being grown. Pereira notes that 'Cereal crop productivity [may be particularly affected] and new evidence is emerging that high-value perennial crops will also be negatively impacted by rising temperatures.'[48]

Climate change is also likely to increase demand for water, particularly through pumping groundwater and irrigation. This demand will, in turn, place increased burdens on an already fragile eco-system and the continent's water resources and infrastructure. Livestock husbandry will also be very negatively affected, as feed and water resources come under pressure.[49] Africa's continual population growth will further compound the situation, placing additional stresses on agricultural capabilities.

Even with better agricultural adaptability, the likely results of these climate changes in agriculture are higher food and water prices, especially in the expanding urban centres, as well as increased threats to food security throughout the continent.[50] Once again, the cumulative effect is likely to be heightened instability and, in the case of agriculture, that instability may have significant effects on women, given their predominant role in the sector.

Migration

As with agriculture, climate change's effect on intra-African migration will be significant.[51] It has been estimated that more than '85 million [Africans], representing up to four percent of the region's total population' may migrate because of climate change.[52]

The precise contours and dimensions of the intra-African migration are unknown and highly contested, given the uncertainty of the empirical data and the multiple socio-economic factors that affect migration.[53] It also cannot be assumed that intra-African migration necessarily accelerates urbanisation, as the effects are varied and variable, depending upon the specific socio-economic contexts.[54]

In addition to seasonal migration,[55] it also important to note that there are at least two different types of migration that climate change will affect: short-term and long-term migration. The former is usually associated with specific sudden-onset incidents such as floods and earthquakes. Long-term migration is due to more endemic and slow-onset changes, for example, persistent drought.[56] These two types of migration are very different and must be analytically distinguished.

> Resource grabbing displaces locals from the land, increases hunger and decreases income and livelihoods

Nevertheless, it is clear that the overall rate of African temporary and permanent rural-urban migration will accelerate. While this can be considered a form of adaptation, it is one that will only add to the continent's instability.

Resource grabbing

In various regions of Africa, global climate change has produced a phenomenon called 'land grabbing-water grabbing', which is more accurately characterised as resource grabbing.[57] The phenomenon is a response to climate change by non-Africans who seek to buy the continent's vast resources.[58] Purchasing and leasing of land are primarily intended to provide access for non-Africans to African agricultural production and water, as well as wildlife and environmental resources.

One of the predominant factors in agricultural activity is the production of biofuels and these land purchases are, invariably, in areas that are rich in water.[59] Even in purchases that are purportedly made for agricultural-food production, 'most of these crops [grown] can also be used for fuel or renewable energy.'[60]

Initially, some analysts believed that the purchasing and/or leasing of land by non-Africans could be beneficial.[61] At the time, it was seen as a method by which, for example, agricultural infrastructure could be enhanced, rural schools and healthcare improved, employment opportunities created, livelihoods augmented and food production increased.[62] Despite the amount of African land that has been leased or purchased, the empirical evidence indicates almost no positive results for Africans or their countries.[63]

The payment for the resources that is meant to flow into state coffers does not occur.[64] In case after case, the consequences of resource grabbing for the local population include their displacement from the land,[65] increased food insecurity and hunger,[66] and a decrease in their income and livelihoods.[67]

> Food and housing in Africa's urban centres are, respectively, 35% and 55% more expensive than in comparable developing countries

In addition, local populations seldom participate in the decision-making process that results in the sale or lease of their lands and are rarely adequately consulted.[68] Even in situations when the objective of the resource sale and/or lease is to protect wildlife and the environment, the results are harmful to the local population. The harm is in terms of 'food security and sovereignty, loss of control and access to resources, consistent narrowing down of the set of livelihood strategies, and inter-community conflicts over scarce resources.'[69]

In short, while resource grabbing may be beneficial for the globe, it is harmful to those regions and countries of Africa where it occurs and increases their instability.

Urbanisation

African urbanisation, which is occurring at the fastest rate in the world,[70] poses a serious challenge for the continent and what its future will look like. According to one study, 'urban land in Africa is forecasted to increase by nearly 600%' by 2030.[71] By the end of that decade, approximately 50–53% of all Africans will live in urban centres[72] which will pose increased challenges to the continent's already overburdened cities.[73]

AFRICAN CITIES COST MORE THAN IN COMPARABLE DEVELOPING COUNTRIES

Currently, African cities throughout the continent are dominated by unplanned and unregulated growth, with between 62–75% of all urban housing being informal.[74] Comparable percentages of the population live in informal settlements or slums.[75] Due to population growth and the flow of people into the continent's urban centres, the continued expansion of these informal settlements far outstrips the ability of the cities to upgrade the housing and infrastructure that currently exists in them.[76] This includes the social services accessible to the residents of these informal settlements. Consequently, these informal sections of urban centres are sites that potentially promote and foster instability.

To compound the challenge, virtually all the associated costs of cities across the continent are more expensive than those in comparable developing countries. Food and housing in Africa's urban centres are, respectively, 35% and 55% more expensive than in comparable developing countries.[77] The cost of labour is also more expensive.[78] As a result 'Africa's urban firms employ 20 percent fewer workers on average than comparable firms elsewhere.'[79]

This is in stark contradiction to the socio-economic models, approaches and prescriptions employed by development policymakers and practitioners. Consequently, there is low urban productivity, increasing inequalities and the economic growth that does occur is largely 'jobless'.

According to recent studies, among the causes of this situation is the prevalence of informality across all socio-economic sectors of urban life. This includes complex, unregulated and inefficient land markets, poor financial systems and structures, and failures in the provision of infrastructure and social services.[80] In short, there appears to be systemic urban failure across the continent and, as one analyst fears, 'Africa's urban dysfunction… [may be] self-perpetuating.'[81]

Infrastructure deficits

The state of infrastructure throughout the continent's diverse regions parallels that of its urban centres, as sub-Sahara Africa 'is lagging all developing regions in nearly every dimension of infrastructure development.'[82] This infrastructure gap relates to 'quantity, affordability and quality.'[83]

The continent's 'infrastructure services are twice as expensive as elsewhere, reflecting both diseconomies of scale in production and high-profit margins caused by lack of competition.'[84] This is true for power, water, transport and communications.[85] Particularly troublesome for the current development models used by policymakers and practitioners,[86] the 'average effective cost of electricity to manufacturing enterprises in Africa is close to $0.20 per kWh, around four times higher than industrial rates elsewhere in the world.'[87]

Even with access to mobile telephony being a bright spot in the grim infrastructure picture and with the prospect of prices continuing to fall,[88] the AfDB reported in 2018 that, in comparison, 'mobile and internet telephone charges in Africa are about four times higher than those in South Asia and international call prices are more than twice as high.'[89]

As the AfDB has argued, the current state and condition of the continent's infrastructure, particularly with regard to energy and power, is the result of political choices and decisions and is an accurate expression of the ruling elites' political commitments.[90] As with the continent's urban centres, the challenges lie with 'Africa's [weak] legal, regulatory and institutional frameworks… ineffective and non-existent institutions… [laws that] may not be implemented or may lack the implementation decree… [and a lack of] strong and credible financial institutions.'[91]

> The insufficiencies in Africa's infra-structure are likely to get progressively, if not exponentially, worse

It is also believed that upwards of one-third of all of Africa's infrastructure is in urgent need of maintenance.[92] Even more tellingly, the annual deficit in continental infrastructure spending hovers around 100% of the actual expenditure. While 'infrastructure needs amount to $130–$170 billion a year',[93] spending is in the order of only US$75 billion.[94] In other words, the condition and insufficiencies in the continent's infrastructure are likely to get progressively, if not exponentially, worse, undermining its future and a potential source of rising instability.

Epidemics and pandemics

While the disruptions caused by the current COVID-19 pandemic will vary across the African continent, based upon differing risk and exposure factors,[95] its devastating effects are unprecedented.[96] Beyond the suffering, sickness and death it will unleash, it is estimated that Africa will experience its first continental recession in 25 years.[97] In addition, there will likely be a severe public debt crisis and elevated levels of food insecurity across the continent.[98]

COVID-19 is not the first epidemic or pandemic to spread recently in Africa. In 2014–2016, West Africa experienced an Ebola outbreak. Dengue fever and malaria are endemic to large parts of the continent. For instance, a 2017 World Health Organisation (WHO) study indicated that 90% of the increase in malaria cases worldwide from 2015–2016 occurred in Africa.[99] According to a recent analysis, more than 75% of all African countries reported an outbreak of an infectious disease in 2018.[100] Of these '96 infectious disease outbreaks reported, 82 were caused by epidemic-prone diseases,'[101] the most common of which was cholera.

Though African countries have made progress in providing better healthcare to their citizenry, 'the majority of African countries are [still] unable to meet the basic requirement for good healthcare systems.'[102] The underlying issue is socio-economic and structural and can be best understood in the context of Africa's overall dearth of infrastructure. According to the World Bank, for instance, existing access to healthcare is limited across the continent and most health facilities suffer from acute shortages of staff and equipment.[103]

> In Africa, embedded state actors are the most virulent type of organised criminal entrepreneur

In a study in seven low- and middle-level countries, the WHO has found that for less than 45% of the time, clinical guidelines are followed for common medical conditions.[104] Furthermore, it is the poor and vulnerable who are most exposed to disease and the ravages of epidemics and pandemics.[105] COVID-19, therefore, is not the exception to the rule, but the most virulent exemplar of the existing African susceptibility to epidemics and pandemics.

Lawlessness

Lawlessness is a situation that combines crime and violence with a common and wide-ranging public perception of a relative absence of the rule of law. In this sense, lawlessness is a composite phenomenon. It pertains to overall societal realities, behaviours and perceptions affecting daily life across various dimensions. It includes criminal behaviours from everyday common crimes (however horrific) to organised crime. It also concerns non-criminal behaviours, for example, from individuals' payment of taxes and respecting building codes to corporations' compliance with business regulations and registering as legal entities.

Lawlessness, most importantly, pertains to the provision of public goods and services and the actions of public civil servants, including the police and judiciary.[106] Lawlessness also refers to and incorporates whether states and governments are capable of *and* have the inclination to tackle their rule of law challenges across its various criminal and administrative dimensions.[107] In this way, lawlessness includes an element relating to the legitimacy of states, not only as manifestations of a political settlement or compact but the actual behaviours of a set of institutions.

While rule of law indices are often challenged as being unreliable, the Ibrahim Index of African Governance has reported a continual deterioration in composite scores for 'safety and rule of law' since 2008.[108] This decade-long erosion strongly suggests a progressive growth of lawlessness across the continent. One commentator has opined that 'lawlessness has been normalized' by rising crime rates, unshackled corruption and a citizenry that both refuses to pay for public services and avoids paying their taxes.[109]

The fact that over 89% of all new African jobs are in the informal economic sector only reinforces a normalisation of a sense of lawlessness and makes it a given reality of day-to-day life.

The toxic attrition of the criminal and non-criminal citizen behaviours blended with poor and corrupt governance results in an environment in which:

> Governments are unable to provide effective and sustainable public services, hospitals lack the essential drugs because someone at the top has pilfered them for his/her private clinic, and the city is in 'blackout' because the government authority procured a substandard machine.[110]

A 2019 study of organised crime in Africa and its 54 countries underscores this understanding of lawlessness. One of the primary conclusions of the study states that, in general, the continent is unable to tackle the scourge of organised crime because 'embedded state actors' are the 'most prominent' and virulent type of organised criminal entrepreneur.[111]

Since organised criminal entrepreneurs and state actors are all too frequently the same,[112] the study goes on to assert that almost 75% of all African countries belong to the category in which increased institutional 'rule of law' capacity will have virtually no effect on the prevalence and potency of organised crime.[113] This finding supports the conclusion of the 2017 World Development Report.[114]

These findings of organised crime fully encapsulate and describe not only the concept of lawlessness but suggest its prevalence throughout the continent and its diverse regions. They also suggest that lawlessness is an essential underlying dynamic with the potential to destabilise Africa.

Given this context, calls for the creation and development of a 'strong central state' coupled with the need 'to fix the state,' as one analyst has asserted,[115] are not only idealistic but deeply misguided. It is the very structure and behaviour of past and existing state actors and the institutions they control that has profoundly contributed to the current condition of lawlessness.

> Given the extent of lawlessness, calls for a strong central state are idealistic and deeply misguided

It is also evident that a lawless environment has provided, and continues to provide, fertile soil for violent extremism.[116] For instance, in northern Mozambique:

> [Lawless activities] ranging from wildlife poaching and drug trafficking to artisanal mining and human smuggling – have fostered corruption and undermined state legitimacy, provided livelihoods and local investment where the licit economy has not, and kept borders porous and the coastline unmonitored. Political figures, the ruling party and their elite criminal associates have openly benefited from both the licit and illicit extraction of natural resources, while the local community has often been punished for their involvement in informal illicit economies and denied the benefits of formal investment and economic growth. Into this crucible of resentment, extremists have stepped, offering opportunities for study and capital, and mobilizing their recruits to challenge violently the existing power relations.[117]

These findings suggest that a lawless environment is a precipitating cause of violent extremism, which feeds off existing grievances and fissures and is rarely, itself, the source of insecurity and violence.[118] Acknowledging the pre-existence of a lawless environment does not minimise the harms that violent extremism perpetuates in the regions in which it is active. Nor does it suggest that violent extremism cannot spread beyond its current geographic reach – the Sahel, Lake Chad Basin and environs of West Africa, the Horn of Africa and, more recently in Mozambique.[119]

These grievances exist throughout the continent with its 'potentially limitless supply of conflict labour… with its large population of extremely poor people and its deeply held views on religion', as well as hundreds of thousands of disillusioned young men and women.[120] Global social media networks, corruption, marginalisation and the exclusionary political practices throughout the continent can also play their part in renewing violent extremism.[121]

The underlying dynamic, however, is that violent extremism requires the fertile soil of lawlessness to flourish. In Africa, violent extremism is an organising, marketing and public relations phenomenon once the embers of civil discontent and/or separatism have already been lit.[122]

Compound effects of the dynamic trends

The previous section analysed the five dynamic trends as distinct phenomena and concluded that all five have the potential to destabilise Africa's future. These trends, however, profoundly influence one another, and Africa's future cannot be accurately forecast without assessing the compound effects of these dynamic trends on one another.

Climate change, urbanisation, informal settlements and infrastructure

There are numerous examples of the compound destabilising effect of the multifaceted relationship between climate change, swelling urban populations and the deficient infrastructure with which they live.[123] In Bujumbura, Burundi, uncontrolled flooding has been caused by the combination of inundating rains falling on informal settlements occupying wetlands that had been previously used as rice fields.[124] In informal urban settlements around Dar es Salam, Tanzania and along the river catchment areas in the country, 35% of the inhabitants and 33–36% of the building are threatened by climate change-induced flooding.[125]

In Nigeria, it is intensified rainfall in urban environments itself, without the intervening variables of wetlands or river catchment areas, that is the precipitating cause.[126] Maputo, Mozambique, and Durban, South Africa, respectively, are comparable examples of the deleterious compound effects of climate change, poor infrastructure and burgeoning urbanisation taking place in southern Africa.[127]

Kampala, Uganda, is another excellent illustration of the compound effects. In this city, unlike the examples above, the climate change challenge relates to the effects of climate change on hydro-electric power in an urban setting. The population of East Africa could almost double by the end of the 2050s,[128] the majority of which will be in urban centres. While there is great potential in mini-grids and off-grid innovations, hydro-electric power is anticipated to play a pivotal role in increasing the access of power and energy to the region's rapidly expanding cities.

Unfortunately, 'any change in water availability could leave this infrastructure stranded or result in lost opportunity cost in not taking advantage of higher water availabilities. In recent literature, expansion of electricity infrastructure in the [Eastern Africa Power Pool] countries has been discussed without giving climate uncertainty due consideration.'[129] This is the case even though it is known that climate change will affect the availability of water and, therefore, negatively affect the urban centres' access to power and energy. In Uganda, hydro-electric power is particularly at risk to climate change:

> Severe drought has contributed to the reduction of the Lake and Nile River level and affected the availability of water for hydro-electric power production. This has culminated in inability to operate the new Owen Falls Dam extension, opened in 2000 to full capacity leading to power rationing in the domestic and commercial sectors ... This has resulted in high costs for clean energy which weighs heavily on the urban poor and has prompted them to resort to less clean and unsustainable wood and fossil fuel sources.[130]

There is, generally, a correlation between urbanisation and deforestation, with loss, degradation and fragmentation of the environment.[131] The additional ecological damage caused by Kampala's poor population increasing their harvesting of wood because of the variability in hydro-electric power due to climate change can only rebound negatively on both climate change and hydro-electric power.

It will also harm Kampala's urban infrastructure, flooding and housing for the poor living in informal settlements. On the one hand, 'residential areas and especially slums in Kampala have no drainage system installed and rely on natural drainage channels - and it is common for buildings or infrastructure to be constructed in drains that obstruct these drainage channels.'[132]

> Secondary African cities are least prepared for climate change and have the poorest urban infrastructure

On the other hand, flooding in Kampala is expected to increase due to climate and rainfall variability. This could result in a self-perpetuating cycle and worsen the 'problems of inadequate urban services including; waste management, urban infrastructure deficiencies and housing. The consequences are flooding, health risks, pollution which complicate the adaptation capacities of the urban poor.'[133]

The compound effects occur in cities of all sizes and not just in Africa's largest urban centres such as Lagos, Kampala, Dar es Salam and Nairobi.[134] The vulnerabilities of secondary and medium-sized cities are even more pronounced as they are growing faster than the continent's most populated ones.[135] These secondary African cities are the least prepared for climate change and have the poorest urban infrastructure.

In these cities, the compound effects of climate change, urbanisation and very weak public systems will become most visible,[136] exacerbated by the poor condition of their housing and the rising costs of everyday existence (especially food, power and water).[137] For instance, in a small Senegalese coastal city, the combination of rising sea levels, inadequate infrastructure and exponential urban growth, along with the explosion of informal settlements in flood zones, has exacerbated seasonal flooding and soil erosion.[138]

It must also be acknowledged that the current socio-economic models used by development policymakers and practitioners pin their hopes for Africa's future on these cities. With their vast pools of relatively cheap labour they are deemed to be the socio-economic engines of structural change. On the contrary, the compounded, aggregate effects of climate change, poor infrastructure and exploding urbanisation have produced vicious cycles. These cycles are complicated by the increasing costs of food, housing, transportation and utilities for individuals and companies located within the cities.

Rather than being engines of positive socio-economic change, in these cities, the compound effect of climate change, urbanisation and failing infrastructure has the potential of 'lock[ing Africa's urban engines]… in a low-growth poverty trap,'[139] which could have further negative consequences.

Disease, climate change, urbanisation and lawlessness

Multiple intersecting destabilising effects amplify the repercussions of Africa's socio-economic and structural susceptibility to disease, epidemics, and pandemics, COVID-19 included. First and foremost among these is climate change. Climate change is a 'risk multiplier' that compounds countries' and regions' existing vulnerabilities to disease,[140] amplifying the effects related to population growth, demographic changes, and increased mobility.[141] While climate change may limit the transmission of some infectious diseases, it also promotes the spread of diseases, including infectious diseases that can become epidemics such as malaria, African trypanosomiasis, Lyme disease, tick-borne encephalitis, yellow fever and plague.[142]

The extent to which diseases proliferate and become epidemics and pandemics is determined by three factors. They are the agent or pathogen itself, the host or vector that harbors the disease, and the overall environment and means by which transmission occurs. Climate change can exacerbate all three factors.[143] In Africa, for instance:

> ...temperature change alone, or together with other variable changes such as rainfall, may alter the transmission of diseases. Studies have reported an association between interannual variability in temperature and malaria transmission in the African highlands. In the highlands of Kenya, hospital admissions for malaria have been associated with rainfall and high maximum temperature during the preceding 3–4 months.[144]

In Tanzania, for example, climate change is responsible for new 'emerging risk areas for dengue epidemics' and it is reported that the new 'anticipated risk is immense.'[145] Another study suggests that climate change will cause dengue to spread into southern Africa and the Sahel.[146]

Rapid and explosive urbanisation weighs heavily on all three factors that determine the spread of disease.[147] Partially, this is due to rural-urban migration. Other aggravating variables in the proliferation and intensification of disease are the size of the city and population density. As appears to be the case with influenza, larger and more densely populated cities not only 'incubate critical chains of transmission' but also extend the periods of potential seasonal transmission, raising the potential of an epidemic.[148] In Africa, the consensus in the research literature is overwhelming.

> Informality and lawlessness are significant compounding factors worsening healthcare in Africa

Simply stated, urbanisation and urban density correlate with an increased prevalence and transmission of respiratory diseases, viral hemorrhagic fevers, malaria and enteric diseases. The risk of these diseases is especially acute in informal settlements.[149] The fact that informal settlements are often built in areas with poor drainage that are susceptible to flooding heightens the exposure to disease.[150] The situation is further compounded and exacerbated by the lack of infrastructure in Africa's urban centres.[151]

It is not only climate change, urbanisation and informal settlements that amplify the spread and lethality of disease in Africa. Informality and lawlessness are also significant compounding factors worsening healthcare in Africa.[152] As a 2010 World Bank study concluded, lawlessness and 'quiet corruption' are principal vectors intensifying the spread of disease throughout Africa.[153] For example:

> A survey of malaria fatalities in rural Tanzania reported that nearly four out of five children who died of malaria sought medical attention from modern health facilities. A range of manifestations of quiet corruption, including the absence of diagnostic equipment, drug pilfering, provider absenteeism, and very low levels of diagnostic effort, all contributed to this dire statistic.[154]

Lastly, as the 2018 Congolese and 2014–2016 West African Ebola epidemics have shown, the combination of poor-quality healthcare and lawlessness fosters a situation in which the state and its actors not only have little legitimacy but are distrusted and often actively resisted.[155] As a consequence, diseases can readily become epidemics and pandemics.

Structural realities and dynamic trends

As suggested above, the compound effects of the five dynamic trends are likely to increase instability in the African continent. To comprehend the possible consequences, however, the impact of the compounded effects needs to be further filtered through three structural realities that are prevalent throughout the continent. They are:

- Informality
- Weak land management
- The proliferation of organised crime

Each of these alone has the potential to destabilise and each is a manifestation of a different type of lawlessness. Most problematic, the first two – informality and weak land management – can significantly fuel the growth and impact of the third, organised crime.

Analysis and forecast of Africa's future must consider these three structural realities through two separate lenses. First, how the dynamic trends exacerbate each of the structural realities individually as well as together; and, second, how the interplay of the three intensifies the continent's organised crime networks. This means that the socio-economic models and approaches used by development policymakers and practitioners need to be revised to take these three structural realities into account so that they adequately correspond to the current African context.

Land management

It is self-evident that appropriate and effective land management is the source of, if not the most valuable input for, the socio-economic growth of Africa.[156] It is the cornerstone upon which the claimed movement of the population out of agriculture and into urban manufacturing and industry occurs. It is also the principal resource upon which any discussion of climate change, urbanisation and infrastructure begins and is, thereafter, grounded. This is because each of the three dynamics takes place on a parcel or parcels of land and, in turn, transforms that parcel.

> Good land management is the source of, and most valuable input for, Africa's socio-economic growth

Consequently, for this report and for forecasting the continent's future, the imperative set of questions are:

- What is the relationship between how land is owned and the other dynamic trends?
- Who owns the land?
- What are the land's boundaries?
- Who controls what is permitted to be done with the land or how it can be used?
- How is the land bought and sold, financed and taxed?

In Africa, land is a vexing and problematic issue, for which there are few easy remedies. Across the continent's regions, land management is weak, at best.[157] More than 90% of rural land in Africa is uncadastred, untitled and/or unregistered;[158] almost all land management happens outside of planning processes; and 90% of all landholders/owners are not registered.[159]

African governments have been, generally, unable to remedy the situation effectively.[160] This situation accurately reflects the present capacities of many African states, with land management generally lying beyond the limits of the law and providing further evidence of the extent of lawlessness in the continent.[161]

Among the challenges is that in most countries land surveyors are scarce[162] and land management and its legal frameworks are complicated, ambiguous and easily manipulated.[163] In Zambia, 94% of the land is 'customary land',[164] which is the sub-Saharan norm. In itself, customary ownership is not necessarily problematic. However, because 'of the lack of implementation of state legislation and of the continued application of customary law, several legal systems – statutory, customary and a range of "in-betweens"… – regulate resource rights in the same territory, resulting in overlapping rights, contradictory rules and competing authorities.'[165]

The challenge is not only that property is effectively uncadastred and unregistered in Africa. The issue also concerns the legality of existing and future land use. In Ghana, for instance, approximately 80% of all land use and development occurs without appropriate (or any) approval from local, municipal, provincial, or national land management authorities.[166] Even as Ghana is beginning to try to remedy the situation, this overall level of lawlessness is a recipe for fuelling organised crime.

The result is that according to Transparency International, every second person involved in a land process or transaction (survey, registration, application for use, etc.) is affected by and participates (however involuntarily) in one type of lawlessness, criminal enterprise or another.[167]

This situation radically undermines the ability of African countries to use, plan and regulate land appropriately, with the concomitant negative effects on land tenure, agricultural productivity, as well as urban land rights and use. It also implies that the effects of climate change and urbanisation on land management cannot readily be addressed. Instead, land management is disjointed, uncoordinated and under-regulated, as in the land/water/resource grabs outlined above.[168] This situation will:

- Accelerate the negative effects of climate change and urbanisation
- Lower the ability of Africa to respond and effectively adapt to these changes
- Further impede the building and maintenance of infrastructure to address the worst consequences of climate change.

This is a formula for heightened instability rather than the foundation from which a positive development trajectory can be forecast.

Informality[169]

As previously presented, the AfDB stated that in 2018 an estimated 50–80% of GDP, 60–80% of existing employment, and that up to 90% of all new jobs are in the informal economy. The ILO indicated in 2020 that these statistics have been roughly constant over the past decade or more.[170] Despite country by country variations, this overall picture holds not only in West Africa[171] but, as the ILO suggests, throughout the continent. As discussed, it is also a critical socio-economic dynamic for the foreseeable future given that in sub-Saharan Africa almost 95% of all youths' future employment is consigned to the informal economy.[172]

The issue is, however, less about the extent of the informal economy and much more about the relationship between the informal economy and lawlessness. It may be believed that the informal sector is, primarily, if not invariably, survivalist in orientation. Previously cited studies of informality in healthcare and two recent studies in South Africa strongly suggest that this is a mistaken understanding of informality and socio-economics.[173]

> A South African study found that many spaza shops are owned by large wholesalers and supermarket chains

In the South African study, 66% of the owners of spaza shops consciously opted to remain in the informal economy and 45% of the shopkeepers were, in fact, employees rather than owners.[174] Many of the real owners of the spazas are large wholesale establishments and supermarket chains. These large economic enterprises consciously exploit their spaza employees, avoid paying taxes and violate labour laws – sometimes to the point at which they are engaging in the trafficking in persons.

Furthermore, the empirical literature seems to indicate that often 'entrepreneurs go underground [into the informal economy] not to avoid official taxes but to reduce the burden of bureaucracy and rent-seeking activities.'[175] As one group of analysts concludes, 'the message for entrepreneurs is clear: either cultivate and capture rents or operate in the informal sector.'[176] In other words, businesses and entrepreneurs may keep their activities within the informal economy because it is more profitable and less onerous to engage in a lawless economy than a lawful one.

When coupled with the illegal 'capturing of rents,' the overall implication is that the formal economy is undermined by the corruption and organised crime that exists within and throughout the state, fuelled by the accumulation of rents.[177] This picture becomes further complicated if the geospatial study of Kampala were to be extrapolated to other cities and African regions. There appears to be a direct correlation between economic and employment informality, on one hand, and land and residential informality on the other.[178] This may be particularly salient in informal settlements in urban centres, which is the predominant form of housing in most African cities.

> Businesses may keep their activities informal because it's more profitable and easier than the lawful economy

These connections and correlations have the potential for becoming another type of vicious cycle, one in which the cycle of economic informality breeds organised crime[179] which produces yet more of both. This takes place along every dimension of the socio-economic spectrum, including the provision of most public goods and services.[180] Research shows:

> ...that most formal firms benefit from some kind of protected rents, either in the form of protection from competing imports, protection from domestic competitors, monopoly rights to import key commodities or privileged access to government contracts. [The traditional saying is: Governments tax elites and elites tax the rest through high prices.] The research also indicates that large informal firms often benefit from some kind of rent protection as well. In particular, where the regulatory regime distinguishes a legal, regulated segment of a sector, large informal operators may benefit from protected rights to exploit the unregulated segment. This can include informal rights to smuggling routes; protected rights to engage in untaxed retail commerce; or informal rights to supplement the rationed public transport (with vans or motorcycle taxis). In some cases, the informal participation of government officials in the business may help ensure this protection.[181]

The implications of this potential downward spiral for the socio-economic future of the continent and its dynamic trends are dramatic. Each dynamic trend and its compounded consequences play through the realities of informality and are, in turn, affected by informality and, therefore, organised crime. Consequently, the continent's ability to respond and adapt to its dynamic trends runs through not only informality but organised crime.

Organised crime

As indicated, the future of Africa and how it addresses the consequences of the four dynamic trends filter through informality, weak land management and all forms of lawlessness. All of which, in turn, fuel the levels of organised crime that exist across the continent.

Organised crime is most often conceived of being concerned with illicit markets – such as drugs, weapons, counterfeit pharmaceuticals, trafficking in persons and protected wildlife – that are controlled by organised criminal networks. There are, however, complementary approaches to understanding organised crime that do not, primarily, refer to illicit markets. For this analysis, organised crime is expanded from the notion of illicit markets to include:

- The control of state power possessed by organised criminal entrepreneurs, who are usually state actors themselves
- The structure and operation of the African private sector and its legal markets

Typically, when referring to state actors in organised crime analyses, the default assumption is that corruption and not organised crime lies as the root cause. This is insufficient.

First, there is an explicit direct relationship between corruption and organised crime, in that the 'indicator of high levels of corruption derived from the World Bank governance indicators… [is] strongly and positively correlated to a composite index of organised crime prevalence.'[182] In Africa, given that 'embedded state actors' are the most prevalent type of organised criminal entrepreneur, they are, at the very least, co-owners of organised criminal enterprises. It is illogical to claim that co-owners, deeply implicated in managing and controlling criminal enterprises, can corrupt themselves.

Second, corruption is typically divided into two types – grand and petty. While grand corruption is relatively well understood, petty corruption tends to be attributed to the misconduct of individual state officials who solicit money at traffic stops or provide an official stamp for driver's licenses and other state documents. Petty corruption is attributed to custom authorities who are bribed to facilitate the flow of illegal goods across state boundaries or court officials who accept payments during proceedings to render an appropriate decision from the bench or clerks who 'lose' documents.

Individuals in positions of authority who endorse fraudulent state documents at tax administrations and municipal building offices are engaged in petty corruption, as are those who take pay-offs to alert drug dealers, import/exporters, and traffickers in persons to upcoming law enforcement actions.

To believe that these 'corrupt' activities are individualised, however, is to misunderstand that systemic corruption is a form of organised collective action rather than, primarily, the misconduct of individual agents. The cost and method by which to bribe a customs official are not determined randomly by the 'corrupt' individual. The bribe is, typically, a well-known and fixed rate and the procedures by which it is paid and received are highly structured.

Petty corruption, therefore, is best understood as an ongoing activity that takes on the form of an enduring 'organised' enterprise. In this sense, state officials – police, land surveyors, judges, building inspectors, and tax auditors – participate not as individuals, but as a regulated collective, regardless of the particular behaviours of any one individual. In other words, corruption is, primarily, the flip side of organised crime.[183] Petty and grand corruption are both, then, means by which organised crime executes its structured and ordered illegal activities and, as such, is an element of organised crime.

State actors as organised criminal entrepreneurs

While land, particularly urban land, may be the single most valuable commodity for organised crime,[184] the African infrastructure challenge is, unfortunately, an excellent illustration of how state actors function as organised criminal entrepreneurs in an entirely legal marketplace.

As indicated above, approximately 30% of the continent's infrastructure requires maintenance but doing so may not be in the interest of the political elite due to their organised criminal networks, as greater rents can be amassed through capital expenditures. As the AfDB observes, 'bureaucrats may let the infrastructure deteriorate so that renovation and redevelopment will require more funds to siphon off. Vested interests may also stall critical infrastructure projects that displace rent-seeking activities.'[185]

While renovation expenditures may be readily accessible for state actors to tap for their private gain, public investment in large, capital-intensive projects is a more lucrative source of rents for political elites operating as organised criminal entrepreneurs. Across the continent, the cost of building new infrastructure and cost overruns are significantly higher than in comparable regions of the world. This is because, in part, state actors intentionally structure a lack of competition in public tenders.[186] There is a notable bias toward public capital expenditures,[187] 'as rent-seeking… incentives generate a positive correlation between corruption and the quantity of public investment and a negative correlation between corruption and the quality of public investment.'[188]

> Africa's infrastructure challenge shows how state actors engage in organised crime in a legal marketplace

None of this is haphazard or accidental. Rather it is the direct result of decisions and policies made by state actors to engage in, organise and control rents for their own benefit. Although typically characterised as corruption, this is a highly pernicious form of organised crime, as it is a product of state action directed by political actors functioning as organised criminal entrepreneurs.[189] Furthermore, this type of organised crime:

> ...tends to be contagious because of institutionalized impunity and greed on the part of bureaucrats. Once [it]… sets in one sector of the government system, it tends to spread into the other spheres of public service and eventually

> becomes systemic. Once corruption becomes systemic, it becomes expected by both the bureaucrats and ordinary… Because of the benefits that… [organised crime] brings to its beneficiaries, and because of the ability of the latter to manipulate the institutional environment to make corruption possible, [it] then becomes a self-perpetuating phenomenon.[190]

The private sector and market structure

Given the extent of informality in the African political economy and the severe land management challenges on the continent, the continent's regions and countries may be approaching a tipping point where a significant percentage of the private sector choose to function primarily in the informal economy or to participate in organised crime through cultivating or being cultivated by state actors to capture and secure rents.

> More informality and organised crime mean less tax revenues, further limiting the state's ability to govern

This is because it is essentially irrelevant whether the goods and services produced by the private sector – such as textiles, automobiles, machine parts, fruits and vegetables – are legal or illegal, legitimate, or stolen. Regardless of whether the commodity is legal or not, the results are comparable – an expansion of the 'shadow economy'[191] that reinforces its self-perpetuation. This broadening and deepening of informality and lawlessness further strengthens the prevalence and power of organised criminal networks, given the correlation between informality and organised crime.[192]

The segment of the economy most severely affected is that of mid-sized businesses whose products are unquestionably legal. These businesses, according to the current models and approaches of development theory, tend to be the most entrepreneurial, innovative and nimble. Located in urban centres, they theoretically drive development through their high productivity rates and use of capital.

However, this model and approach may no longer correspond to Africa's current realities. The structure and rules of the marketplace for legal goods and commodities funnel these companies into higher-margin commercial and trading activity rather than into the production economy. In the commercial and trading economy, profits can be quickly accumulated compared to the production economy – agriculture, industry and manufacturing – where profits are amassed over a longer term.[193]

Furthermore, there is little logic for a company to undertake long-term investment in capital goods when a market is dominated by informality and organised crime. In both instances, the market's structure depends upon, and success is built through, fostering private relationships and not through the rising productivity and efficient and effective use of capital.[194]

It is this underlying market structure and logic that helps explain the failure of the socio-economic structural change that development models and approaches had predicted. It also explains the relative lack of change in the continent's agricultural sector coupled with the parallel relative de-industrialisation of the continent.

The market logic of informality, lawlessness and organised crime also have financial and tax implications. On the one hand, credit and bank loans for mid-sized companies are difficult to obtain, further restricting their growth.[195]

Simultaneously, companies in the informal economy have limited capability or incentive to be involved in the formal banking and financial worlds. They seek their financing elsewhere – through private means and relationships. This tendency fuels yet more informality and, potentially, more invasive penetration of organised crime into the private sector that buys and sells legal goods and services.

On the other hand, with the increase of informality and organised crime, state tax revenues decrease. The more businesses participate in the informal economy, the less their wholly legal activities are licensed, regulated, recorded and, therefore, taxed. Part of the inducement to participate with state actors in organised criminal networks is for private companies to capture and monopolise rents and avoid or minimise tax obligations.

This implies that the structure and logic of the private sector deprive the state of the funds to invest in efforts to adapt to climate change, respond adequately to the demands of rapid urbanisation, build sufficient infrastructure or combat lawlessness.

The way forward: focus less on the state

This report intended to discuss the forecasts policymakers and development practitioners have made concerning Africa's future and its stability across its diverse regions. It has shown that the socio-economic analytic tools and methodologies used by these practitioners and policymakers for the past few decades do not correspond to the current African context and dynamics. They are, thus, inadequate as the basis from which to forecast Africa's future. This is all the truer for and in a post-COVID-19 Africa.

The primary socio-economic structural change these models have asserted and advocated – a movement of people and capital from low-productivity agriculture into higher-productivity manufacturing and modern services – has not taken place. Furthermore, despite explosive urbanisation, neither agricultural nor industrial and manufacturing productivity has appreciably increased. This empirical evidence contradicts the existing socio-economic models and argues that they are in dire need of being reconceived.

The need to revise the socio-economic models and approaches used by policymakers and practitioners cannot be underestimated, particularly given the expected repercussions of COVID-19 on Africa. Recasting these models must explicitly take into account the defining characteristic of African economics, namely its rampant informality. The current and future size of informal economies suggests that most African economies lie beyond the law and current legal frameworks.[196]

Similarly, the new socio-economic approaches must recognise that the vast majority of African land is uncadastred, untitled and unregistered and recommend policies accordingly.[197] Furthermore, the overhaul and reconstruction of socio-economic development models must be undertaken with a clear view of how most African states are currently structured and according to their existing capacities. This view must be taken rather than a position according to a hoped-for future transformation into 'strong, centralised states.'

An accurate and realistic understanding of Africa's trajectory indicates that this will not adhere to and follow the pre-established strictures of western models of development. The African future must be determined by Africa. There is no other option given the existing trends occurring across the continent – climate change, explosive urbanisation, dire deficits in infrastructure, vulnerability to epidemics and pandemics, and rampant lawlessness.

A revamped African development theory, policy and practice, if they are to reflect and correspond to African context(s), need to do more than merely accommodate the realities of informality and land management. It must also come to terms with how those realities fuel the proliferation of organised crime and criminal networks. These organised criminal networks are entrenched within the structure and operation of the private sector and its legal markets. Equally problematically, they are, largely, organised and managed by the state, which may at times be controlled to a large extent by organised criminal entrepreneurs, who are usually state actors.

> Revised development models should limit the role of the state, which is just one among several actors

The role and actions of the African state, therefore, are often highly problematic and cannot automatically be the foundation on which socio-economic development theory and its models are predicated. This is not a call to ignore or overlook the role of the state and its institutions, though it does explicitly acknowledge the severe difficulties that exist in reforming and developing the African state in its diverse incarnations. This is also not a call to juggle development models and practices in terms of top-down or bottom-up approaches or revisit decentralisation or de-concentration strategies.

Instead, this is a call to acknowledge that, given the deeply compromised nature of the African state, and its co-ownership by organised criminal networks, development models and approaches can no longer prioritise the state, its roles and activities. This must be acknowledged even if the immediate default response to the COVID-19 pandemic calls for a fiscal intervention routed through national governments.

Revised socio-economic development models must, therefore, accept the premise that the state is only one among several actors and should no longer be considered the predominant actor. Not only must the models accept this premise, but they must also be based upon it because it is the only sensible baseline upon which these models can be predicated.

For example, given the predominance of informality in African economics, one priority element of the fiscal response to COVID-19 may be to target monies into the informal economy. This money can be transferred in many different ways, some that exist (savings facilities, cooperative and informal networks, village savings and loan associations, micro-credit institutions, etc.) and others that do not yet exist (new forms of banking and finance).

Overall, the new thinking means that revised development models and practices ought to prioritise the role of local neighbourhood and community actors. More specifically, the resilience of local African actors in all forms of development should become the key variable and the most important outcome by which to measure the appropriateness of policy and programme achievements.

> The real question is not how to strengthen the state, but how to support small, decentralised initiatives

It must be noted, however, that this conceptualisation of resilience does not conform to its current usages in development practice. Instead, this revised understanding of resilience can and must be measured by the degree to which local African neighbourhoods and communities control and manage their resources. It is also important to note that these resources can only be defined by the local African actors themselves and is democratic as realised at the local level.[198]

Key conceptual challenges in this framework would be how to operationalise community control and management of local resources, replace existing state-centric indicators with more nuanced ones, and how that approach could be applied across the multiple dimensions of socio-economic development. These are all topics that require in-depth analysis and research beyond the limited scope of this report.

Nevertheless, a new model of socio-economic development that emphasises the resilience of local actors is crucial in addressing the severe challenges Africa faces with regard to the five dynamic trends – climate change, urbanisation, infrastructure development, epidemics and pandemics, and lawlessness – and how they intersect.

For instance, a significant increase in the rate of urbanisation and the challenge this poses to the deficits in urban infrastructure, cannot be addressed through default state-driven institutional capacity-building programmes or 'whole-of-government' approaches. Apart from its long history of ineffectiveness, the co-ownership of the state by organised criminal entrepreneurs precludes this approach. A clear understanding of political will disqualifies this.

Calls for states to be more transparent and accountable, while well-meaning, are largely counterproductive. Rather than asking how a state-centred intervention is likely to succeed, the real question for policymakers and development practitioners should be how to support and encourage small-scale, decentralised initiatives. These build local community resilience and respond to the 'wants' of local neighbourhood communities rather than the presumed 'needs' that are usually ascribed to them by outsiders and foreign practitioners.

Once again, nuanced analysis and research are required to flesh out this approach to development and the role of the state. Given the analysis above, it is clear that in a revised model of development, the role of the state should be circumscribed. The reduced role of the state should be to coordinate, standardise, support and finance local initiatives that build local resilience within and across neighbourhoods – community control and management of local resources.[199]

Notes

1 Julia Bello-Schünemann et al, African futures: key trends to 2035, *Institute for Security Studies Policy Brief*, 2017, 1; see also: McKinsey Global Institute, *Lions on the move II: realizing the potential of Africa's economies*, San Francisco: McKinsey Global Institute, 2016; Steven Radelet, *The great surge: the ascent of the developing world*, New York: Simon & Schuster, 2015; Margaret McMillan and Kenneth Harttgen, What is driving the 'African Growth Miracle'? *National Bureau of Economic Research Working Paper*, 2014; Steven Radelet, Emerging Africa: how 17 countries are leading the way, *Center for Global Development*, 2010; V Mahajan, *Africa rising: how 900 million African consumers offer more than you think*, New Jersey: Pearson Education, 2009. It must be noted that one analyst has hedged his optimistic assessment of Africa's future, see: Steven Radelet, Africa's Rise – Interrupted? *Finance and Development*, 2016.

2 To select three socio-economic indicators with significant and wide-ranging socio-economic repercussions and implications: (1) 'pupil-teacher ratios in primary education in sub-Saharan Africa have actually got worse over 1970–2014;' (2) 'density of roads [throughout Africa] actually declined over 1991–2011'; (3) inequality has sharply risen across the continent. See: Indermit S Gill and Kenan Karakülah, Has Africa missed the bus? The condescending consensus on the continent's growth, Durham: Duke Center for International Development, 2018, 15 and 9; Kathleen Beegle et al, Poverty in a rising Africa: overview, World Bank Group, 2016.

3 In fact, according to the 2017 Institute for Security Studies report, 'most of sub-Saharan Africa's economies are unlikely to grow fast enough to keep pace with the continent's extremely rapid population growth and the associated pressure on education, healthcare and other basic services,' which suggests a less than optimistic prognosis; Julia Bello-Schünemann et al, African futures: key trends to 2035, *Institute for Security Studies Policy Brief*, 2017, 3.

4 Infrastructure is defined to include all systems and networks (fixed assets or structures) that underpin and facilitate economic and social activity, including among other things, water (including storage and irrigation), power (electrical, hydro-electric, solar), sanitation, ICT and transport (roads, railways, maritime, and air).

5 Lyal White et al, 2020 retrospective vision: the next decade will need to bring more than just echoes of 'Africa rising', *Daily Maverik*, 1 March 2020, www.dailymaverick.co.za/article/2020-03-01-2020-retrospective-vision-the-next-decade-will-need-to-bring-more-than-just-echoes-of-africa-rising/.

6 For the economic definition of informality for this report, see: African Development Bank, *African Economic Outlook 2018*, 2018, 45.

7 It should be acknowledged that, while the United Nations (UN) recognises 54 states on the continent, the African Union (AU) recognises 55. The difference between the two international organisations is the Sahrawi Arab Democratic Republic, also known as Western Sahara.

8 The theory underlying this approach has been derived from the Lewis Model, which is the foundation of and single most influential contribution to development economics; see: Arthur Lewis, Economic development with unlimited supplies of labor, *The Manchester School*, 22:2, 1954, 139–191; Arthur Lewis, The dual economy revisited, *The Manchester School,* 47:3, 1979, 211–299; see also: Colin Kirkpatrick and Armando Barrientos, The Lewis Model after 50 years, *The Manchester School,* 72:6, 2004, 679–690. While this model remains the touchstone for mainstream development socio-economics and its essential policy prescription have varied little, its basic theoretical categories have been refined over time. See, for instance: Richard Brown, On the labour market dualism in the Lewis Model: a comment, *The Manchester School*, 74:3, 2006, 350–354; G Fields, Labour market dualism in the Lewis Model: reply, *The Manchester School*, 74:3, 2006, 355–359; Xiabong Wang and Jenifer Piesse, The micro-foundations of dual economy models, *The Manchester School,* 81:1, 2013, 80–111.

9 United Nations Economic Commission for Africa, *Economic report on Africa 2017: urbanization and industrialization for Africa's transformation*, Addis Ababa: ECA, 2017, xx; see also: Xinshen Diao et al, The changing structure of Africa's economies, *World Bank Policy Research Working Paper, 7958*, 2017. It should be noted that this approach to development has not appreciably varied, see: World Bank, *Sub-Saharan Africa: from crisis to sustainable growth: a long-term perspective study*, New York: World Bank, 1989.

10 African Development Bank, *African Economic Outlook 2018*, 2018, 49.

11 United Nations Economic Commission for Africa, *Economic report on Africa 2017: urbanization and industrialization for Africa's transformation*, Addis Ababa: ECA, 2017, 72; see p. 72: 'countries that have succeeded in structural transformation are urbanized and feature a consumption and production pattern driven by productive industrial and service sectors. They have relocated resources (including labour) from low- to high-productivity sectors, often involving industrial development.'; see also: Marlous van Waijenburg and Ewout Frankema, The African model: Asia's path may not work, but there is an alternative, *African Arguments*, 31 January 2019. This article argues for enhanced labour productivity based upon rapid urbanisation and industrialisation, with a focus on domestic markets.

12 African Development Bank, *African Economic Outlook 2018*, 2018, 41. It should be noted that mainstream development models also prioritise the building of infrastructure, solidifying property rights, increasing productivity through, among other initiatives, deregulation and enhancing effective institutions. See: Benno Ndulu et al, *Challenges of African growth: opportunities, constraints, and strategic directions*, New York: World Bank, 2007. Nevertheless, even in analyses that emphasise human capital and 'learning economies,' the underlying assumptions include the need to induce structural change and invest in industry and manufacturing. See: Bengt-Åke Lunkvall and Rasmus Lema, Growth and structural change in Africa: development strategies for the learning economy, *African Journal of Science, Technology, Innovation and Development*, 6:5, 2014.

13 The 2017 ISS report echoes this, claiming that the critical component is 'the ability of African governments to create new sources of sustainable growth [which depends] on the quality of economic policies, but also on long-term integrated planning and improvements in regulatory frameworks,' Julia Bello-Schünemann et al, African futures: key trends to 2035, *Institute for Security Studies Policy Brief*, 2017, 4. However, the ability of African governments to do so is highly unlikely, if for no other reason than that 'the average tax-to-GDP ratio in Africa was only about 17.1 percent in 2014 (figure 1.14), much lower than the optimal threshold of about 25 percent required to finance development,' African Development Bank, *African Economic Outlook 2018*, 2018, 20.

14 African Development Bank, *African Economic Outlook 2018*, 2018, 7. Since 2008 there has been a general decline in Africa in agricultural productivity, which is exactly the reverse of what 'should be happening.' See: United Nations Economic Commission for Africa, *Economic report on Africa 2017: urbanization and industrialization for Africa's transformation*, Addis Ababa: ECA, 2017, 11. For further discussions of the absence of an overall structural change in Africa, see: United Nations Economic Commission on Africa, *Economic Report on Africa 2014*; and see: African Center for Economic Transformation, *Growth with depth – 2104 African Transformation Report*, 2014.

15 United Nations Economic Commission for Africa, *Economic report on Africa 2017: urbanization and industrialization for Africa's transformation*, Addis Ababa: ECA, 2017, xx.

16 Léonce Ndikumana, *The private sector as culprit and victim of corruption in Africa*, University of Massachusetts, PERI Working Paper Series, 330, 2013, 5. See also: United Nations Economic Commission for Africa, *Economic report on Africa 2017: urbanization and industrialization for Africa's transformation*, Addis Ababa: ECA, 2017, where it is noted that the 'manufacturing's share in Africa's GDP has also slipped since 2010, despite absolute increases in output. Despite efforts to industrialize, the sector's share in world manufacturing exports is still less than 1 per cent' (p. 19). This is clear evidence that, contrary to developmental theory, policies to promote 'Africa's ability to participate more in global trade [by encouraging]… its economies… to go up the value chain and… reduce their heavy reliance upon commodity exports' have failed, Julia

Bello-Schünemann et al, African futures: key trends to 2035, *Institute for Security Studies Policy Brief*, 2017, 5.

17 For discussions of poverty, healthcare, education, infrastructure, and tax mobilisation, to name a few, see Indermit S. Gill and Kenan Karakülah, Has Africa missed the bus? The condescending consensus on the continent's growth, Durham: Duke Center for International Development, 2018.

18 It may be argued that the failure of these models and approaches can be attributed to poor leadership, execution and implementation by the political and business elites of Africa. It can be further argued that the ways in which the states of the continent's 54 countries are structured and institutionalised are also at fault. This report rejects these theses for they explicitly and implicitly presume a virtual universal lack of political will and commitment across the continent by political elites. Development donors have assigned blame for much too long, as a way by which to avoid responsibility for the lack of quality of the initiatives and projects they design and fund and the ways in which those initiatives do not correspond to African realities and contexts. It is much like blaming the survivor of sexual assault for the violation and violence perpetuated on her body, rather than ascribing responsibility to the perpetrator.

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20 African Development Bank, *African Economic Outlook 2018*, 2018, xv.

21 Ibid.

22 World Bank, An analysis of issues shaping Africa's economic future, *Africa's Pulse*, 20, 2019, 1.

23 Other analysts insist that, even if the socio-economic picture is not optimistic, there has been 'considerable progress' achieved in non-monetary 'well-being' throughout the continent: Kathleen Beegle et al, *Poverty in a rising Africa*, Washington, DC: World Bank, 2016.

24 African Development Bank, *African Economic Outlook 2018*, 2018, 45.

25 International Labour Organization, *World employment and social outlook: trends 2020*, Geneva: International Labour Organization, 2020; see also: International Labour Organization, *World employment and social outlook: trends 2016*, Geneva: International Labour Organization, 2016, 33; International Labour Organization, *Informal economy in Africa: promoting transitions to formality: challenges and strategies*, Geneva: International Labour Organization, 2009.

26 Ibid., 42.

27 African Development Bank, *African Economic Outlook 2018*, 2018, 44–45.

28 International Labour Organization, *Women and men in the informal economy: a statistical picture,* Geneva: International Labour Organization, 2018, 30.

29 United Nations Economic Commission for Africa, *Economic report on Africa 2017: urbanization and industrialization for Africa's transformation*, Addis Ababa: ECA, 2017, xx; United Nations Economic Commission for Africa, *Economic report on Africa 2017: urbanization and industrialization for Africa's transformation*, Addis Ababa: ECA, 2017, 40: 'Africa's transition out of the primary sector into largely informal and low productivity tertiary activities has not led to the desired structural transformation. Labour has often moved from low-productivity agriculture to equally low-productivity urban, informal activity.'

30 Angus Kathage, Understanding the informal economy of African cities: recent evidence from Greater Kampala, March 2018, https://blogs.worldbank.org/africacan/understanding-the-informal-economy-in-african-cities-recent-evidence-from-greater-kampala.

31 Xinshen Diao and Margaret McMillan, Toward an understanding of economic growth in Africa: a re-interpretation of the Lewis Model, *National Bureau of Economic Research Working Paper Series*, 21018, 2015, 512; see also: Magaret McMillan et al, Globalization, structural change, and productivity growth, with an update on Africa, *World Development*, 63, 2014, 11–32.

32 Ibid.

33 Julia Bello-Schünemann et al, African futures: key trends to 2035, *Institute for Security Studies Policy Brief*, 2017, 6.

34 United Nations Economic Commission for Africa, *Economic report on Africa 2017: urbanization and industrialization for Africa's transformation*, Addis Ababa: ECA, 2017, xxii.

35 Olivia Serdeczny et al, Climate change impacts in Sub-Saharan Africa: from physical changes to their social repercussions, *Regional Environmental Change*, 15: 8, 2015.

36 Gil Mahe et al, The rivers of Africa: witness of climate change and human impact on the environment, *Hydrological Process*, 27, 2105–2114, 2013.

37 RI McDonald et al, Urban growth, climate change, and freshwater availability, *Proceedings of the National Academy of Sciences of the USA*, 108:15, 2011, 6312–6317.

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106 See: Solly Moeng, Has South Africa's lawlessness passed the point of no return? *The Southern Times*, 11 March 2019.

107 In the informal settlements outside Harare, for instance, it is evident that the existence and continuation of informality has been and continues to be engineered to the benefit of Zimbabwe's ruling elite(s), JoAnn McGovern and Kudzai Chatiza, Frontiers of urban control: lawlessness in the city edge and forms of statecraft in Zimbabwe, *Antipode*, 51:5, 2019, 1554–1580.

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112 In much of the scholarly literature, the existence of state actors as owners or co-owners of organised criminal networks is mistakenly understood as a form of corruption. Terminology notwithstanding, this phenomenon 'has been deeply ingrained as a self-reinforcing, self-perpetuating institution, and has fundamentally captured governmental institutions in sub-Saharan countries in a way that insulates corrupt practices from ordinary reforms.' See: Stuart Yeh, Corruption and the rule of law in Sub-Saharan Africa, *African Journal of Legal Studies*, 4, 2011, 192; see also, K Hope, *From crisis to renewal: development policy and management in Africa*, Leiden: Brill, 2002.

113 ENACT, *Organised Crime Index: Africa 2019,* Pretoria: Institute for Security Studies, 2019, 19. The inability and unwillingness of states to address organised crime has been more than evidenced by the continued ineffectiveness of almost all anti-corruption endeavours, see, for instance: Mushtaq H. Khan et al, Anti-corruption in adverse contexts: a strategic approach, London: Department of Economics, University of London, https://eprints.soas.ac.uk/23495; Mariana Borges et al, *Combatting corruption among civil servants: interdisciplinary perspectives on what works*, USAID, 2017; Independent Commission for Aid Effectiveness, *DFID's approach to anti-corruption and its impact on the poor*, ICAI Report 37, 2014; Alina Mungiu-Pippidi et al, *Context choices in fighting corruption: lessons learned*, Oslo: Norad, 2011.

114 World Bank, *Law and Governance*, Washington DC: World Bank, 2017: in that state action against corruption 'is unlikely to occur unless power actors – elites – in the country agree to that change' and '[are] likely to be effectively enforced only when they are aligned with the interests of powerful actors,' pp. 19 and 78, respectively. Given the embedded nature of state actors who are organised criminal entrepreneurs, it makes little sense and seems naïve and self-contradictory, therefore, when analysts' principal recommendation is 'the need to implement measures that that improve government transparency…,' see: ENACT, *Organised Crime Index: Africa 2019*, Pretoria: Institute for Security Studies, 2019, 52. Ghana is an excellent example of the embedded nature of organised crime within the state, in that it has taken more than 30 years for Ghana to achieve what can be called a 'functionally institutionalized state,' in which the institutions of governance are capable and perceived to be legitimate, see: World Bank, *World development report 2011: conflict, security and development,* Washington DC: World Bank, 2011, 10. Unfortunately, that level of institutionalised statehood has resulted in the 'receptive environment' in which the civil service, political parties, the political elite, and the institutions and agencies of the state remain largely unaccountable and 'petty and grand corruption is endemic,' see: Ivan Briscoe and Dana Goff, *Protecting politics: deterring the influence of organized crime on political parties*, The Hague: Clingendael Institute, 2016, 24. See also: Erik Wibbels et al, *Endline impact evaluation: Ghana strengthening accountability mechanisms*, USAID, 2018, iv. It should also be noted that the perception of political partisan manipulation by local state administrators rose. This may suggest they were 'sensitized' to budgetary manipulations by politicians (p. iv). In both instances, however, programmatic 'outcomes' hinged on perceptions.

115 Written comments received by these authors from a reviewer of this report, received February 2020.

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Jazeera, 24 February 2020, www.aljazeera.com/indepth/opinion/gas-rich-mozambique-headed-disaster-200223112556449.html; Peter Fabricius, Is Islamic State taking charge of Mozambique's jihadist insurgency? *ISS Today*, Institute for Security Studies, 10 January 2020; S Habibe, S Forquilha and J Pereira, *Islamic radicalization in Northern Mozambique: the case of Mocimboa da Praia*, Maputo: Institute for Social and Economic Studies, 2019; David Matsinhe and Estacio Valoi, The genesis of insurgency in Northern Mozambique*, ISS South African Report,* 27, 2019.

118 Eelco Kessels et al, *Violent extremism and instability in the Greater Horn of Africa: an examination of drivers and responses*, Nairobi: Global Center on Cooperative Security, 2016; Ömer Taspınar, Fighting radicalism, not 'terrorism': root causes of an international actor redefined, *SAIS Review*, XXIV:2, Summer–Fall 2009.

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